



**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES**

APPEAL DECISION SUMMARY

APPEAL No: 2010-0325

DATE: May 5, 2010

OUTCOME: (check one)

☒ X SUSTAINED ☐ REVERSED ☐ REMANDED
☐ INVALID/FULL
☐ SUSTAINED and REMANDED
☐ REVERSED and REMANDED
☐ AGENCY ERROR/OTHER

ISSUE ON APPEAL: Eligibility – ABD –excess resources

GENERAL RULE OF LAW: Standards for resource eligibility

1. United States Code, 42 U.S.C. § 1396a(a)(17)(B) requires a state plan for medical assistance to include:

reasonable standards . . . for determining eligibility for and the extent of medical assistance under the plan which . . . (B) provide for taking into account only such income and resources as are . . . available to the applicant or recipient.

2. The State plan must specify that . . . in determining financial eligibility of individuals, the agency will apply the cash assistance financial methodologies and requirements, unless the agency chooses to apply less restrictive allowable income and resource methodologies. If the agency chooses to apply less restrictive income and resource methodologies, the State plan must specify the less restrictive methodologies that will be used, and the eligibility groups to which the less restrictive methodologies will be applied. Code of Federal Regulations, 42 CFR §435.601, (f).
3. As a program based on need, Medicaid uses the value of a person's countable resources as one of two financial criteria in determining eligibility. The other criterion is income. Medicaid Manual, Volume XIII, M1110.001, A (p. 1).
4. Eligibility with respect to resources is a determination made for each calendar month, beginning with the third month prior to the month in which the application is received. Resource eligibility exists for the full month if countable resources were at or below the applicable resource limit for any part of the month. M1110.001, B, 1 (p. 1).
5. Resources are cash and any other personal or real property that an individual owns, or has the power to convert to cash and is not legally restricted from using for his support and maintenance. Medicaid Manual, Volume XIII, S1110.100, B, 1, (p. 3).

6. Liquid resources are any resources in the form of cash or in any other form which can be converted to cash within 20 workdays. Absent evidence to the contrary, we assume that checking and savings accounts are liquid resources. Medicaid Manual, Volume XIII, S1110.300, A, 1, (p. 8); S1110.305, B, 1, (p. 8).
7. The eligibility worker must verify the value of all countable, non-excluded resources. Medicaid Manual, Volume XIII, M0130.200, H (p. 8).
8. The countable value of a bank account is the lower of the balance before income is added, or the ending balance minus any income added during the month. Funds cannot be both income and a resource in the same month. Income that has been added to a bank account during the month must be subtracted from the ending balance to ensure that the income is not also counted as a resource. Medicaid Manual, Volume XIII, M1110.600, B, 3 (p. 18); M1140.200, B, 5 (p. 18).
9. A life insurance policy owned by the individual is a resource if it generates a cash surrender value (CSV). Its value as a resource is the amount of the CSV. Medicaid Manual, Volume XIII, M1130.300, B, 1 (p. 20).
10. A life insurance policy is an excluded resource, for individuals age 21 and over, if it's FV and the FV of any other life insurance policies the individual owns on the same insured total \$1,500 or less. Burial insurance policies and term insurance policies that do not generate a CSV are not taken into account. Medicaid Manual, Volume XIII, M1130.300, B, 2, 3 (p. 20).
11. The value of any asset that meets the definition of a resource counts against the applicable resource limit, unless otherwise excluded. Medicaid Manual, Volume XIII, S1110.200 (p. 6).
12. An applicant who reduces excess resources during the month of application or a subsequent month before action is taken on the application may become eligible in the month in which the value of his resources is reduced to, or below, the Medicaid resource limit. In order to reduce resources, the resources must actually be expended and the expenditure documented. (For example: a receipt, a canceled check, or a bank statement). When excess resources are reduced, entitlement to ongoing Medicaid may begin no earlier than the first day of the month in which the resources were reduced to the Medicaid limit. Medicaid Manual, Volume XIII, M1510.102, C (p. 8).
13. The resource limit for one person in the Categorically Needy, Categorically Needy Non-Money Payment, and Medically Needy covered groups is \$2,000. Medicaid Manual, Volume XIII, M1110.003, B, 2, (p. 2).
14. An individual with countable resources in excess of the applicable limit is not eligible for Medicaid. Medicaid Manual, Volume XIII, M1110.003, B, 1 (p. 2).

AGENCY DECISION: The hearing officer found in favor of the agency, based upon the following:

The Appellant applied for Medicaid coverage for retroactive and ongoing months. The agency verified the resources for both periods, and determined that the Appellant's resources exceeded the Medicaid resource limit for one retroactive month. Therefore, the local agency denied Medicaid coverage for that month.

APPLICABLE CITATIONS FOR ACTION:

United States Code

42 U.S.C. §1396a (a)(17)(B)

Code of Federal Regulations

42 CFR §435.601, (f)

Medicaid Manual, Volume XIII

M0130.200, H (p. 8)

M1110.001, A, B, 1 (p. 1)

M1110.003, B, 1, 2, (p. 2)

M1110.100, B, 1, (p. 3)

S1110.200 (p. 6)

S1110.300, A, 1 (p. 8)

S1110.305, B, 1, (p. 8)

M1110.600, B, 3 (p. 18)

M1130.300, B, 1, 2, 3 (p. 20)

M1140.200, B, 5 (p. 18)

M1510.102, C (p. 8)